

September 10, 2007

Dear Fellow Members of Spring Hill Baptist Church,

Last spring, a new Constitution and Bylaws Committee was formed in response to a motion made at a previous business meeting. The purpose of the Committee is to review and recommend changes to the church bylaws to better reflect the state of the church as it exists today and in the near future. During the course of the initial review, it became evident that the committee should also explore the possibility of church incorporation as that would materially impact how our Constitution and Bylaws would be structured. Therefore as part of the effort of this committee to identify revisions of the church Bylaws and Constitution, incorporation is being considered as part of the revision process.

Notably over the last several years Spring Hill has experienced the hand of God in countless ways, including increased church membership and attendance of non-members, as well as the growth of new ministries offered to the community. We are excited to see God at work in our community, both in retrospect, and in anticipation of what lies ahead. However, with increased exposure in the community comes higher liability risks to our church. Since Spring Hill is currently a non-incorporated entity, liability is shared among its membership. Theoretically, this means that the personal assets of each member could be subject to being used for offsetting any financial obligations resulting from a situation where the church was deemed to be at fault.

Prior to 2002 Virginia churches were not permitted to incorporate. Virginia was one of only two states where churches fell in this category. Since 2002 churches in Virginia have been allowed to incorporate and many comparably-sized churches in Virginia have done so. Incorporation means that only the assets of the church itself (e.g., property and insurance) – **and not assets of its members**- could be used to offset financial obligations resulting from a liability case.

As part of the incorporation process, any member of the unincorporated entity wishing to become a member of the new incorporated entity must give his or her consent. Of importance are the criteria for accepting members into the new church incorporation and the effort to establish the membership. This effort provides Spring Hill the opportunity to become revitalized and reacquainted with members who are not actively participating in its worship and ministries.

Once incorporated, the church would operate under a different structure, however most members would not see a difference. An example of a benefit to being incorporated includes not having to gain court approval for the purchase or selling of church property (which we must do currently as an unincorporated entity. Additionally, under incorporation, a notable change for the church would be the need for an annual report to the Commonwealth of Virginia. Since the report only consists of the name and address of the corporation, registered agent's name and addresses, and the names and addresses

of the church leadership, this is better than the current requirement of having to request approval of trustees of the state court.

Other recommended Bylaw and Constitution changes could include items such as how the congregation makes its decisions, how members are accepted, and the percentage of church members needed for a business meeting quorum. However, before these and other changes are ready for church consideration, the question of incorporation should be decided. **For your reference, a comprehensive overview of church incorporation is attached.**

Additional questions concerning incorporation will be addressed by the Committee at a special church meeting that will occur in the 5-6th Grade Room on September 30 at noon, after the 11:00 AM service at Fray's Mill. To allow time for the membership to prayerfully consider what has been presented, a called business meeting will be scheduled when all questions have been addressed to consider a formal motion to pursue incorporation. **Meanwhile please pray and give careful consideration to Spring Hill becoming incorporated.**

Yours in Christ,

SHBC Constitution and Bylaws Committee

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